16. Globalization, the rhetoric of nationalism, and the resilience of neo-liberalism

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According to many political scientists, the end of the Cold War heralded a unipolar world (Ikenberry, Mastanduno & Wohlforth, 2009; Krauthammer, 1991), and the triumph of liberal democracy (Fukuyama, 1989). Indeed, after the demise of the Soviet Union, the United States was virtually unchallenged, the frontiers of market capitalism expanded significantly, and "globalization" became a buzzword in the social sciences. Commitment to liberal-democratic and market-friendly practices was eminent in this context, thanks to the "theme(s) of democracy," human rights and freedom, and their "legitimizing discourse" (Robinson, 1996, pp. 619–23). While institutions like the World Bank and the International Monetary Fund (IMF) reflected this commitment with the concept of (loan) "conditionality," the enlargement of the European Union, where "countries willing to enter the EU have been asked to demonstrate their liberal-democratic bona fide and, in case their national traditions were different, modify their practices" (Greenfeld, 2016, p. 129), has been even more instrumental. It is in this particular context that many Western observers assumed that the world's political and economic order was "set on an established, predictable course," along which liberal-democratic norms would "continue to spread in the developing world and deepen in the rich nations," and cosmopolitan and "globalist" values would be ascendant, "chipping away at national sovereignty" (Rodrik, 2017, p. 1).

However, the political experience of the early twenty-first century not only suggests that "the unipolar moment" has been short-lived, primarily due to the astonishing rise of China, the revivalist geo-political ambitions of Russia and intense inter-state competition, but also that "liberal democracy itself is no longer the most salient discourse of political legitimacy and the good life" (Brown, 2005, p. 57). The aforementioned conventional assumptions have been upended by major developments in recent years, such as the electoral gains made by nationalist and far-right parties in Europe, the presidency of Donald Trump, and the Brexit vote. Virtually everywhere in the world, clear expressions of nationalism are observed, and national sovereignty is as integral to political discourse as ever, instead of waning. What explains this resilience of nationalism, and the plethora of political parties and leaders that rely on nationalism and a discourse centered on preserving and strengthening national sovereignty? Why is nationalism such a potent force in both domestic and international politics in the early twenty-first century? This chapter attempts to answers these questions.

I suggest that the transformative impact of two processes, namely the changes stemming from the spread of neo-liberalism, and the relative decline of American hegemony, are causally important for the prominence of nationalism in the early twenty-first century. The spread of a rationality of government based on neo-liberalism is more effective in accounting for the potency of nationalism in various domestic political scenes, and

discourses centered on restoring national sovereignty, particularly in countries integrated with the institutional framework of the Western world. On the other hand, the relative decline of American hegemony is more effective in accounting for the underlying themes of nationalism and competition that characterize international politics today, a situation that is exemplified by the competitive spirit behind the rapid rise of countries like China and India, as well as the revivalist nationalism observed in countries like Russia, Turkey, and of course, the United States itself.

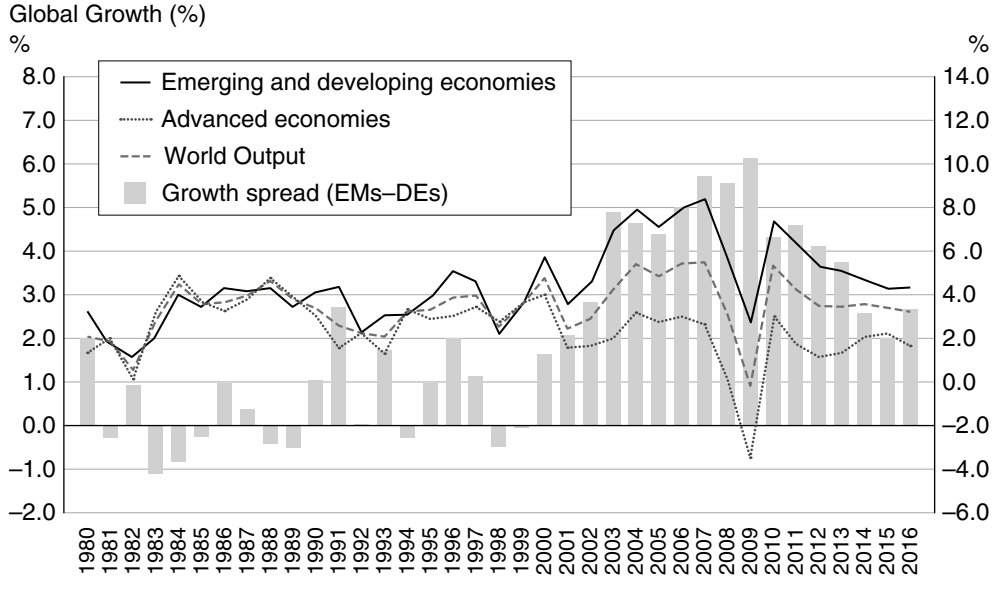
To specify the underlying logic of this argument, first, important structural changes resulting from the transformative impact of neo-liberalism must be considered. Neo-liberalism is conceptualized as the reorganization of society around market rationality (Soss, Fording & Schram, 2011), and the dissemination of market values to all institutions and social action (Brown, 2005, pp. 38–40). Its ascent has undermined the post-World War II social bargain of "embedded liberalism" (Kuttner, 2018), which had given sovereign states the space to uphold their particular vision of the welfare state while becoming integrated into world capitalism and an international economic order based on free trade (Katzenstein, 1985; Ruggie, 1982). As a result, the post-war social-economic order, based on the Keynesian-Fordist ideas of incorporating working and lower-income classes into the economy and the foregrounding of economic activity in manufacturing, has been dismantled and subsequently reorganized according to the ideas of market rationality, competitiveness and cost–benefit analysis (see Peck & Tickell 2002).

This has been accompanied by the shifting of manufacturing activity to the Global South and peripheral economies due to the availability of cheaper labor and production costs, as well as by the rise of sophisticated instruments of finance capitalism (Arrighi, 1999; Harvey, 2003; Sassen, 2014). The staggering socio-economic inequality during this process, as a result of the unequal distribution of economic growth, has been well documented (Aytaç & Öniş, 2014; Chetty et al., 2017; Piketty, 2013; Stiglitz, 2002). This has been coupled with inadequate government responsiveness (Berman, 2017; Gilens, 2012; Gilens & Page, 2014), and/or patterns of political representation that are biased in favor of high-income classes (Carnes, 2013) in many countries, such as the US and within the EU. Last, the departure of manufacturing jobs to developing countries and the opening up of new low-pay service jobs in developed countries has added to both migration and the disruption of traditional work structures and ways of life (i.e., the uprooting of people from traditional modes of existence) (Sassen, 1989) in both developing and developed countries.

Each of these factors, stemming from the transformative power of neo-liberalism, can create and/or reinforce important demand-side conditions that help give resonance to nationalist appeals that politicians are increasingly articulating with a populist delivery: each can contribute to the creation of socio-economically, and more importantly, existentially insecure strata, and exacerbate the anxieties of those strata about their social status, economic well-being, and/or cultural preservation. Therefore, the impact that neo-liberalism has had all over the world contributes to the presence of conditions that can amplify support for political entrepreneurs who articulate their nationalism using a populist language (i.e., claiming to restore popular sovereignty by limiting the political influence of localized or globalized special-interest groups and certain "others"), and for their appeals to re-elevate the dignity, status and welfare of these strata, and their nation. Second, how hegemonic decline adds to the potency of nationalism and the intensity of competition (on an international level) must be spelled out. I adopt Wallerstein's defini-

tion of hegemony, which is constructed primarily in economic terms. Here, hegemony is understood not as a static structure, but as a process that has different moments in time (Wallerstein, 2002, p. 358). A key aspect of hegemony, in terms of economic preponderance, is competitive superiority, "wherein the products of a given core state are produced so efficiently that they are by and large competitive even in other core states, and therefore the given core state will be the primary beneficiary of a maximally free world market" (Wallerstein, 1980, p. 38). Declining hegemony, then, is understood in relativistic terms in this study, and means the relative economic slowdown of the US – compared to American economic preponderance in the immediate aftermath of World War II – in the face of the increasing economic output of the Global South, and rivaling forms of strategic capitalism promulgated by some BRICS countries,[1] such as China and Russia (Öniş 2017, 2019). This relative decline of the US, and Europe, especially after the Great Recession, with respect to significant economic gains made by the Global South and some BRICS countries can also be seen in Figure 16.1.

While this economic slowdown of the North American and European world gives credibility to the discourses of politicians who want to make their countries "great again" or exploit the insecurities and general sense of anxiety that comes with this relative decline, the diminishing hegemony of the US in particular has other implications for international politics. The most important of these, for the legitimacy of the US as a global leader, as well as the legitimacy of the model of liberal democracy it has helped prescribe for long, has to do with the impact of resorting to coercive domination over subordinate countries and economies as hegemony diminishes. This more aggressive form of domination has



Source: Turkey Data Monitor.

Figure 16.1 Global economic output; comparing emerging markets and developing economies to advanced economies

been most clearly observed in the Bush administration's "shift towards unilateralism, towards coercion rather than consent, towards a much more overtly imperial vision, and towards reliance upon its unchallengeable military power" (Harvey, 2003, p. 75), and can be seen as an implication of eroding hegemony (also see Bergesen & Schoenberg, 1980). The coercive approach displayed by the US in this context (see Walt, 2019), often to expand the frontiers of capitalism and ensure the supply of cheap inputs to the world economy but justified in the name of democracy and freedom, should be taken seriously and treated as a factor that impedes the social acceptance (i.e., legitimacy) of American leadership.

Declining US hegemony, then, tends to add to the potency and popularity of nationalist ideas in different ways, such as incentivizing competition in general and encouraging other countries that want to emulate the success that the likes of China and India have enjoyed, and incentivizing countries like Russia, China, Venezuela and Turkey to challenge American domination and promote alternative forms of popular democracies (with authoritarian tendencies). In sum, the changes stemming from the spread of neo-liberalism and eroding American hegemony both undermine the legitimacy of liberal democracy and give resonance to nationalist appeals in domestic and international politics.

Specifically, I argue that the structural shifts outlined above amplify the ideational appeal of nationalism in a time of extraordinary political transformation. These changes create opportunity structures, incentivizing political entrepreneurs to resort to nationalism, strategically use its language in the name of elevating the dignity and status of their nation, and exploit contemporary insecurities related to matters of existential and physical security, identity and economy, using a discourse based on the themes of sovereignty, prestige, security, competitiveness and prosperity. This dynamic contributes to the rise of populist leaders all over the Western world and elsewhere, who use rhetorical strategies that channel the anger of citizens who are becoming increasingly dissatisfied with politics (and social-political inequality), economics and society, and use new and old media to their advantage to upend conventional politics (Aytaç & Öniş, 2014; Öniş, 2017; Schmidt, 2017, pp. 248–9). According to a study commissioned by *The Guardian* and overseen by Team Populism, a global network of political scientists who study the phenomenon using textual analysis (e.g. Hawkins, 2010), analyses of public addresses by almost 140 prime ministers, presidents, and chancellors in 40 countries suggest that the number of populist leaders has indeed more than doubled since the early 2000s (Lewis et al., 2019).

Critically, though, I suggest that a rhetorical aversion to neo-liberalism (and IMF- or EU-imposed austerity) in this context – observable in the discourses of populist-nationalist parties – does not always imply the actual rolling back of neo-liberalism. In fact, as I will show in the final section, while leaders such as Viktor Orbán in Hungary and Recep Tayyip Erdoğan in Turkey may use a nationalist discourse centered on sovereignty and not "bowing down" to Brussels or the West, and characterize neo-liberalism in negative terms, some of their policies actually reinforce the effects of neo-liberalism. This rhetorical aversion to neo-liberalism is often translated to an actual aversion to some of the core tenets of liberal democracy, such as the rule of law, separation of powers, freedom of speech and assembly, and multicultural society, which has helped political entrepreneurs like Erdoğan, Orbán and leader of the Polish Law and Justice Party (PiS) Jaroslaw Kaczyński capture the state apparatus and alter institutions exploiting general discontent with politics, society and the economy, fueled by neo-liberal transformation.

NEO-LIBERAL GLOBALIZATION AND THE POLITICAL-ECONOMIC ROOTS OF NATIONALIST SENTIMENT AND POPULIST POLITICS IN THE EARLY TWENTY-FIRST CENTURY

This section clarifies how effects emanating from the major structural changes that have been taking place since the last decades of the twentieth century grant nationalism greater ideational appeal today, particularly in Europe.

The Undermining of the Post-war Compromise of Embedded Liberalism

First, I expand on the major shifts in economics. When institutionalizing its hegemony after 1945, the US was not only reconstructing a global market in which it would enjoy high levels of competitiveness with its manufactured goods, but also pushing a policy agenda that had "a social and not just a political and economic content." This implied promising "a prosperous and secure existence for the working classes of rich countries, and an *equally* prosperous and secure existence in a more or less distant future – that is, 'development' – for the peoples of poor countries" (Arrighi, 1999, p. 247; emphasis added).[2] It was this dual promise and sense of equality, and not just crude anti-communism that "mobilized widespread support among subordinate social strata throughout the world for the US reconstruction of the global market" and helped legitimize American leadership (ibid., p. 248).

While the US became the most prosperous country in the world after the war, thanks to the competitive superiority its goods enjoyed in the markets of the war-torn countries of Europe and elsewhere, what followed the "fantastic ventures" of Fordism-Keynesianism and massive rearmament from the Korean War till the end of the Vietnam War would mark a clear break with this promise and the compromise of embedded liberalism. The result of such massive expansion in world trade and production was "an over-accumulation of capital beyond the normal channels of profitable investment," which implied that "the organizing centers of the expansion were in a position to reaffirm, for a while at least, their dominance over world-scale processes of capital accumulation through greater specialization in financial intermediation" (ibid., p. 224; see also Harvey, 2003, pp. 87–136).[3]

It was against this backdrop that "the social objectives" of US hegemony were "virtually abandon[ed]" under the Reagan administration, premised on the resurgence of private high finance at the commanding heights of the world economy (Arrighi, 1999, pp. 247–8; Sassen, 2014). The "essence of the reversal" along this course was "a shift of the US government from being a competitor of private high finance – as it essentially was throughout the 1970s – to being its most faithful and powerful supporter" (Arrighi, 1999, pp. 240–41).[4]

While a large part of the new power that the US came to enjoy in the 1980s and 1990s simply rested "on the capacity to outcompete most other states in global financial markets" (Arrighi & Silver, 2001, p. 273), this new power was still used to give "credibility to the claim that all states would benefit from following prescriptions of the neo-liberal creed propagated by Washington" (Arrighi, 1999, p. 248). Due to the intense promotion of this so-called "Washington Consensus," the principles of deregulation, privatization

and liberalization have been "either passively accepted or imposed upon representative institutions and law-enforcement bodies" since the mid-1980s, proliferating the neo-liberal creed, where "*de-regulation* meant *re-regulation* by international, mostly US-based, financial organizations and law-enforcing agencies" (Conversi, 2014, p. 38; original emphasis).

"The more intense and widespread interstate competition for mobile capital became, the greater the number and variety of communities – especially but not exclusively working-class communities – that experienced major disruptions in their established ways of life with few benefits to compensate for the disruptions." The "neo-liberal creed propagated by Washington" is thus "not a continuation of the global New Deal by new means, but a complete reversal of its objectives for the benefit of the US and of the world's wealthier strata" (Arrighi, 1999, p. 248).[5] It is for these reasons that what has come to be known as "globalization" has been "linked since the 1980s to the policies of the IMF, the US Treasury Department, the World Bank, and other institutions belonging to the so-called Washington consensus" (Conversi, 2014, p. 38), and should also be understood as the worldwide spread of capitalist economics, institutions and culture.

According to Schmidt (2017), the situation outlined above constitutes one "ideational root cause" of the rise of nationalist and populist politicians today, especially where neo-liberal policies have been implemented radically. Rodrik (2018), on the other hand, argues that it is easier for populist politicians to mobilize along ethno-national/cultural cleavages when "the globalization shock" becomes salient in the form of immigration and refugees, whereas it is easier to mobilize along income/social class lines when it takes the form mainly of trade, finance, and foreign investment. While the situation may not be as neatly divided as Rodrik's argument suggests, it is evident that the changes outlined here contribute to the presence of a political, social and economic environment that is conducive to mobilizing masses with the language of nationalism.

Changes in Political Structures, and the Legitimacy Deficit and Challenge Facing Liberal Democracy

It is in this broad transformative context that "institutions focused on markets have gained power relative to those centered on people and sustainable human development" (Pyle & Ward, 2003, p. 464) and most representative institutions (Conversi, 2014, p. 26). This brings us to key political factors that allow nationalist actors to make significant electoral gains, and radical, anti-system parties to impact political discourse in their respective domestic scenes.

One of these is the decline of the traditional, mass parties (Berman, 2017; Mair, 2013), as well as trade unions (Ebbinghaus & Visser, 1995; Van Biezen & Poguntke, 2014). During the post-war era, political parties were generally stronger in Europe than in the US, and they had "clear partisan profiles, high membership and loyalty levels, and strong ties to other organizations, such as trade unions" (Berman, 2017). The last decades, however, have witnessed "the decline of the political center made up of Social Democrats, Christian Democrats, and liberals who have governed since the war" (Baier, 2016, p. 48), as well as the weakening of those organizational ties (Van Biezen, Mair & Poguntke, 2011). There is "strong evidence of a universal trend of growing public detachment from parties," as mass parties have become weaker, and their membership and activist networks have withered (Rahat & Kenig, 2018, p. 19). "Although the parties themselves remain, they

have become so disconnected from the wider society, and pursue a form of competition that is so lacking in meaning, that they no longer seem capable of sustaining democracy" (Mair, 2013, p. 1).

This broad trend in the decline of traditional parties is one major development that allows political entrepreneurs to fill this "void" in the political landscape using the language of nationalism and promises of the restoration of their cultural community, especially in the fragmented party systems in Western and Northern Europe. It is not surprising at all that right-wing actors opportunistically claim to ensure the security and represent the interests of "the people" using a nationalist rhetoric and appeals to limit the influence of special-interest groups in a social-political landscape where traditional parties are losing their stronghold, unions are considered to be a legitimate partner in the social contract to a lesser extent and social security mechanisms and "safety nets" have been largely dismantled, "left"-leaning parties have been incorporated into reproducing neo-liberalism (Kuttner, 1987; Piketty, 2018; Rodrik, 2018; Schöpflin, 2013; Shields, 2007, 2015), and more serious left-wing alternatives have been all but hampered or discredited.

Other factors that help the notion of national sovereignty occupy a central place in political discourse have to do with the hierarchical structure of the EU (Baier, 2016); the multiple crises facing the EU culminating in a legitimacy deficit (Schmidt, 2015); and the technocratic, rather than democratic, nature of the union (Berman, 2017). The EU not only represents an economic and currency union, but also a "system of institutionalized political relations between some states and nations resulting from both the Second World War and the victory of capitalism during the Cold War"; and although all states of the union are equal according to treaties, in practice, the EU proves to be a hierarchical system (presumably due to its capitalist nature), in which German influence is clearly felt (Baier, 2016, p. 52; see also Schmidt, 2015). The growth of nationalism in Europe, in this sense, is also "an indicator of a dramatic deterioration of national relations in Europe, between center and periphery, south and north, Germany and France, and so forth." In this setting, the "authoritarian means with which austerity policy is being carried out in the EU" adds to the overall legitimacy deficit facing the union today (Baier, 2016, pp. 52–3).

Last, the recent Chinese experience, where a somewhat successful level of capitalist development has been accomplished in a highly authoritarian environment, constitutes a challenge – a model that is particularly attractive to "illiberal, majoritarian [regimes] with growing authoritarian tendencies in the European periphery" (Öniş, 2019, p. 3). Two key cases that represent and uphold this model of popular democracy – where a highly authoritarian environment is justified and legitimized using nationalism and narratives on an economic impetus, like in China – are Turkish politics under the rule of Erdoğan's Justice and Development Party (AKP), and Hungarian politics under Orbán's Fidesz. Next, I examine these cases.

AUTHORITARIAN POLITICS WITH "NATIONAL" AND "LOCAL" OVERTONES: THE CASES OF TURKEY AND HUNGARY

This section compares the rhetoric highlighted in the populist responses led by Erdoğan and Orbán (regarding political economy and "the nation") to the actual trajectory

followed by their governments. According to the study overseen by Team Populism, Erdoğan's term from 2014 to 2018 makes him the most populist right-wing leader in the world today by a wide margin, and Orbán's terms from 2010 to 2018 establishes him as second. While the Turkish experience represents a more "gradualist approach" (in terms of its encounter with neo-liberalism), since policies of privatization, deregulation and liberalization have been gradually implemented starting from January 1980, Hungary is closer to a "shock-treatment approach" (Öniş, 2006). In both settings, incorporation into global capitalism has been facilitated by their location in the immediate periphery of the EU. In other words, the EU has been the main "globalizing" body during their encounters with globalization.

Turkey under AKP rule represents a case where a party relying on populism has been in government since November 2002 – a case where, combined with successive populist experiences in the 1950s, 1960s and 1970s, populism has been "entrenched" (Pappas, 2019), or "institutionalized" in political culture. Coming to power following successive financial crises – in 1994, 2000, and 2001 – that "widely discredited mainstream political elites and institutions in the eyes of the electorate" and "by promising to be a catch-all party and to revamp Turkey's political-institutional and economic structures in favor of the country's underprivileged groups" (McCoy, Rahman and Somer, 2018, p. 31), the AKP actually did not explicitly articulate nationalist or religious appeals in the initial stages of its lifetime, like Fidesz before 2002 (Bajomi-Lázár & Horváth, 2013, p. 226; Fabry, 2018), and insisted on the "conservative democrat" label (Taşpınar, 2012). Instead, the party pragmatically characterized itself as an entity committed to Turkey's "integration" with the economic and political framework of the Western world, while simultaneously downplaying Islamic elements in the party's character to evade the scrutiny of Turkey's seculars (Atacan, 2005; Atasoy, 2009; Aytaç & Öniş, 2014; Öniş, 2006). In this sense, the initial years of the AKP (2002–07) are qualitatively different, similar to Fidesz before it shifted its position from "liberal" to "conservative" starting in the mid-1990s.

While Fidesz had to return to opposition until 2010 after its first government (1998–2002), the AKP skyrocketed to the top of the Turkish party system within months of its founding, thanks to the rampant corruption and extreme fragmentation of votes that plagued establishment actors, particularly the conservative-democrat center-right parties and the social-democratic center-left parties. Using the EU accession process as an anchor for demilitarization, and allying with liberals and the Gülen network,[6] the AKP was able to push the secular Turkish armed forces out of politics (Bermek, 2019; Hintz, 2018; Kadercan & Kadercan, 2016). With this biggest hurdle effectively pacified by 2011, and thanks to constitutional amendments carried out in 2010, which were instrumental in re-organizing the judicial branch in favor of the government, the AKP could rely on increasingly repressive and authoritarian means and state resources to impose its conservatism, especially after emerging as the hegemonic force in Turkish politics following its third successive general election victory in 2011 (Müftüler-Baç & Keyman, 2012). Orbán initiated his authoritarian drift around the same time, when Fidesz returned to power with a constitutional majority in 2010, in a context defined by the corruption scandal of the incumbent Socialist Party and the 2008 global crisis, and swiftly rewrote parts of the constitution.

The Language of Nationalism and Political Economy in Turkey and Hungary

How do political entrepreneurs like Erdoğan and Orbán instrumentalize nationalism in such settings? Both leaders have been able to implement drastic change thanks to their use of discourses on "the nation," rewriting the rules of politics and redesigning institutions in their favor, and steering society to a certain direction. For both, their respective movements represent a unified political force for the protection of the nation – from the plethora of "threats" of modern times, such as terror, financial shocks and "conspirators" like George Soros, or migrants ("invaders") in Orbán's case. The brand of politics enunciated by conservative populist leaders like Erdoğan, Orbán and Kaczyński is defined by discourses on restoring and elevating the standing of "the nation" and ensuring its cultural preservation, as well as the "moral" or "historic duty" to act in the name of "the people" (often in a moment of extraordinary change, difficulty or opportunity) and uphold national sovereignty against the influence – localized or globalized – special-interest groups can yield.

For example, Erdoğan claims that establishment politics in Turkey had institutionalized "bowing down" to "the West" in a feeble fashion, and credits the common people for "restoring" Turkey's sovereignty by upholding "the national will" (*milli irade*) (Akyol, 2016). He describes a personalistic bond between the common people and himself as a core reason for national "achievements," such as supposedly reinstating political and economic stability and ending Turkey's habitual economic crises, or paying off the debt owed to the IMF. Especially after becoming president in 2014, Erdoğan has, on countless occasions, reminded constituents that they no longer have to wait at the "doorsteps of the IMF," after publicly lamenting the helplessness Turkey felt during prolonged episodes of severe economic depression in the 1970s. This theme of economic revivalism is a key aspect of Erdoğan's politics, and it is complemented with the assertion that a "strong" and "independent" economy is the foundation of the more proactive role Turkey would assume in regional and global politics.

These themes culminate in a political narrative that characterizes the massive transformation Turkey underwent in the twenty-first century as a country "regaining" its own identity and re-establishing sovereignty by virtue of its economic "ascent" (Cagaptay, 2014, 2017; White, 2014). In effect, this AKP-driven narrative attempts to portray a national community "giv[ing] up its frustrating and humiliating role as a beggar pleading for membership in the West" and "resum[ing] its much more impressive and elevated historical role as the principal Islamic interlocutor and antagonist of the West" (Huntington, 1996, p. 178). This narrative is embodied in symbols evoking Ottoman superiority and the motto "local and national" (*yerli ve milli*).[7]

Similarly, Orbán's account of political change in Hungary is centered on the "restoration" of law and order, economic growth, national pride, stability, and a society based on family and work (Fabry, 2018, p. 11). The narrative of economic "patriotism" and revivalism articulated by Erdoğan is present in the Hungarian case too, since the government claims that the restoration of economic growth and the increasing "competitiveness" of the Hungarian economy implies that Brussels and the IMF would not be their "owners" or "bosses," and that Hungary "would not accept diktats" from them in the future (ibid., p. 9). On March 15, 2012, commemorating the Hungarian revolution of 1848, Orbán asserted that Hungary would not "become a colony of the modern financial system"

because Hungarians "are a nation of freedom fighters" (Bajomi-Lázár & Horváth 2013, p. 231). According to this logic, a strong economy is imperative to "defend" Hungarian people from external "enemies" such as "profiteering" banks and transnational corporations, "imperial bureaucrats" in Brussels, and "conspirators" like Soros (Fabry, 2015; 2018, p. 11; Fekete, 2016; Tamás, 2013, 2014).

In reality, though, the economic policies of the AKP and Fidesz are favorable to international capital and the capitalist class and tend to concentrate returns from economic growth in the hands of a loyal national bourgeoisie. Put differently, the rule of these two right-wing populist parties helps sustain economic structures that benefit top sections of the bourgeoisie and cronies, despite discourses that put the common people at the center of society. Once one strips away their official rhetoric, their management of the economy does not foster an economic landscape that is qualitatively different than the one created by neo-liberal orthodoxy or offers strong evidence in support of claims of "economic independence." More importantly, both governments show strong tendencies to favor narrower interest groups supportive of their political projects at the expense of broader groups, in spite of an official rhetoric that emphasizes popular interests and welfare.

Take, for example, the model of growth under the AKP. Continuing the IMF-regulated reform drive after the 2001 crisis,[8] Erdoğan's party embraced the retreat of the state to a regulatory role and undertook a massive process of privatization of state-owned enterprises (SOEs), especially in the infrastructure industries such as telecommunications, electricity distribution, refineries, highways, and ports (Atiyas, 2009; Aytaç & Öniş, 2014; Öniş 2012).[9] In this same period, AKP governments also reduced administrative barriers to foreign investment, improved the legal protection of foreign investors, and reduced the corporate tax rate (Öniş, 2009, p. 423).[10]

A look at Turkey's economic trajectory following the Great Recession is even more revealing. In the midst of the credit glut resulting from the quantitative easing policies following the recession, AKP governments relied on these funds to proclaim tales of economic strength while centering the economy on credit, consumption and construction. With bank credit earmarked for construction rising from less than 50 percent to over 70 percent of all loans between mid-2012 and mid-2014 (*The Economist*, 2016), this credit binge made consumers feel rich by creating an abundance of fancy new housing estates, office complexes, shopping malls and "mega-projects," but also implied the enrichment of contractors close to the party at the expense of the diversification of the economy. Credit-driven consumption and the construction sector remain key sources of economic activity, creating major imbalances and weaknesses for the Turkish economy. Even though crony capitalism is by no means an AKP invention, it has reached a whole new scale through vast networks of patronage the party has built and sustained since 2002 (Soydan, 2020; also see Gürakar & Bircan, 2019). As of 2020, Turkey is still highly dependent not only on foreign capital and imported intermediary goods and technology for production, but even on agricultural goods and food from abroad, despite once being known as one of the few self-sufficient countries in agriculture (Acar, 2014). Populism has not done anything meaningful to diversify economic production and help ordinary Turks evade the middle-income trap.

Similarly, most policies of Fidesz, like the introduction of highly regressive taxes and a new Labor Law that "promotes further flexibilisation of labour relations while restricting workers' rights to strike action," are pro-capital and show a relative neglect of

labor's interests. Trade unions are attacked by government authorities. Public provisions in general, and spending on the vulnerable groups in society, like unemployment benefits, sick pay and disability pensions, have been defunded (Fabry, 2018, p. 10; 2019). Family policies also offer shrinking protection to poor families while helping expand the income of better-off "working" families through tax credits (Szikra, 2014).

Arguably, what most clearly shows that Fidesz does not represent a rupture from neo-liberalism is the party's stance on the poor and workfare policies. Fidesz has expanded a highly punitive and exploitative public works program (introduced in 2009) that disciplines and punishes the poor, particularly the "able-bodied" ("idle" or "undeserving") poor (Fabry, 2018; Fekete, 2016; Szikra, 2014). This program, where poor people are forced to engage in often pointless work under supervision is almost a carbon-copy of "neo-liberal paternalist" poverty "governance" programs in the US that tell poor people what is best for them in an effort to create compliant worker-citizens (see Soss et al., 2011).

CONCLUSIONS

As these experiences show, populist politicians' rhetorical aversion to neo-liberalism does not necessarily imply dismantling neo-liberalism or reversing its effects. While populists may try to "present themselves as rebellious outsiders," and "discursively construct an antagonism between a corrupt elite and betrayed people," they may exclude from their critique "the actual connection of domination – consisting of the unequal distribution of property, income, and the resources of power" (Baier, 2016, p. 51) and even reproduce such domination. In both cases, although populism dignifies ordinary people through discourse, their conditions are not improved as much as those of privileged groups. In fact, some effects of neo-liberalism, like transferring wealth upwards, disciplining the poor and creating a compliant workforce, and equating poverty to individual failure, are reinforced. In this sense, the typical populist discourse today is "not critical but exceedingly conformist," quite "contrary to the impression it tries to give" (ibid., p. 52). One possible explanation for this is pragmatism. Since both the AKP and Fidesz represent proto-hegemonic parties with radical transformative objectives (see Gunther & Diamond 2003), and the sustained political repression they rely on is costly, concentrating wealth in loyalists and having a compliant workforce become key assets.

The populists' attempt to monopolize the central object of nationalism – the people – is actually used to co-opt, coerce, or manufacture consensus among subaltern groups in society against alleged enemies of the nation (Fabry, 2018). Orbán openly proclaims Hungary to be the prototypical "illiberal regime" (Pappas, 2019), while Erdoğan and allies cherish what they call "New Turkey" – where ideas and acts that do not challenge conservative and nationalist norms, and authority, are safe, but all others that may challenge them are subject to deep suspicion and prosecution. In other words, their "anti-system" rhetoric is "not aimed against capitalism, but against the system of liberal representative democracy" (Baier, 2016, p. 51).

While populists are keen to display an obsession with "the people" in an effort to claim that only they could serve the interests of ordinary people, the gap between their rhetoric and reality suggests that populism should be understood as a political style, discourse and performance that political entrepreneurs embrace and put on display strategically.

A telling example is Donald Trump's decision to campaign on a populist platform at a time when institutional ties that connected industrial regions like the Rust Belt to establishment politics were fraying. Although such strategic choices may help the likes of Trump, Erdoğan, Orbán, Kaczyński become the "new elites" (McCoy et al., 2018) in their societies, this gap between their rhetoric and reality also carries the potential to foster newer brands of inclusionary politics centered on ordinary people, which has already become visible in the Turkish opposition's strategy especially during and after the 2019 local election cycle, where opposition candidates dealt major blows to the AKP by repeatedly highlighting the perils of prioritizing narrow interest-groups at the expense of popular interests.

NOTES

1. That is, Brazil, Russia, India, China and South Africa.
2. Here, roughly equal levels of prosperity and security are important because this sense of equality created and sustained by a rules-based order is crucial for a newly emerging hegemonic power when it comes to securing the social acceptance of subordinate states. See Finnemore (2009).
3. As Arrighi notes, "this had been the experience, not just of Britain in the Edwardian era, but also of Holland in the 18th century and of the Genoese capitalist diaspora in the second half of the 16th century," and it has also been the experience of the US "in the *belle epoque* of the Reagan era" (1999, p. 224).
4. It is essential to note that financial expansions in the past, such as the periods that led to the Long Depression of 1873–96 and the Great Depression, have typically featured the rise of new populist politicians fostered by the mood of helplessness and anxiety (Arrighi, 1999, p. 247; Arrighi & Silver, 2001, p. 273).
5. In this sense, "hyperglobalization" (comprising neo-liberal reforms, market fundamentalism and free trade) can be viewed as an elite instrument for the purposes of breaking the social contract established after World War II and the undermining of the compromise of embedded liberalism (Kuttner, 2018).
6. A vast, cross-class, faith-based, transnational social-political network (ultimately centered on the personality cult and teachings of Fethullah Gülen) that rose to prominence and became increasingly visible in the early 1990s, extensively cooperated with the Justice and Development Party and Recep Tayyip Erdoğan during the successive terms of this party after 2002, but ultimately entered into a conflict with Erdoğan in 2013, leading to the failed coup attempt on July 15, 2016.
7. This motto is used not only to authoritatively define the boundaries of political life and norms and to socially construct enemies, but also to promote specific ideas like building a national industrial base (Kutlay & Karaoğuz, 2018; Öniş & Kutlay, 2013) and developing a "national car" and "national defense" (Öniş, 2019).
8. This was initially implemented through the technocratic intervention of Kemal Derviş, a former vice-president at the World Bank who was appointed the Minister of Economic Affairs by the coalition government that preceded the AKP.
9. Although privatization was on Turkey's economic agenda since the mid-1980s, its pace had been extremely slow until the early 2000s. But the AKP government raised nearly 27 billion USD in privatization revenues from 2005 to 2008 alone, an amount that is almost three times what had been raised between 1989 and 2004 (Atiyas, 2009). As a result, while in 2002 the SOEs employed close to 400 000 people, that figure stood at 170 000 by 2011 (Aytaç & Öniş, 2014, p. 50).
10. Combined with a favorable global liquidity environment, such pro-capital policies helped foreign direct investment (FDI) reach 51.6 billion USD between 2005 and 2007. To provide a historical perspective, these inflows had amounted to less than 1 billion annually before 2004. The figures remain high in comparative perspective too. For example, while Turkey received nearly 30 billion USD in 2005 and 2006, the same figures for Poland and Czech Republic stood at under 23 and 17 billion, respectively (Öniş, 2009).

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